

# CITY OF MUSKEGON

## CITY COMMISSION MEETING

**NOVEMBER 10, 2015**

**CITY COMMISSION CHAMBERS @ 5:30 P.M.**

### **MINUTES**

The Regular Commission Meeting of the City of Muskegon was held at City Hall, 933 Terrace Street, Muskegon, MI at 5:30 p.m., Tuesday, November 10, 2015.

Pastor Don Graham, Lakeside United Methodist Church, opened the meeting with prayer, after which the Commission and public recited the Pledge of Allegiance to the Flag.

#### **ROLL CALL FOR THE REGULAR COMMISSION MEETING:**

Present: Mayor Stephen Gawron, Vice Mayor Lawrence Spataro, Commissioners Hood, Rinsema-Sybenga, Turnquist, and Johnson. City Manager Franklin Peterson, City Attorney John Schrier, and City Clerk Ann Meisch.

Absent: Commissioner Willie German, Jr.

#### **HONORS AND AWARDS:**

**A. Resolution – Recognition of JAAR Partnerships Fourth Year Participation in the “Good Buddy Bucks” Program** Director of Public Safety

Resolution of Recognition presented to JAAR Partnerships for its participation in the fourth year of the “Good Buddy Bucks” program which rewards youth for displaying “Good Character” and allows youth to positively interact with law enforcement.

**B. Nelson Adopt-A-Lot Program**

The Mayor issued resolutions of recognition commending local organizations and citizens that are creating a spirit of community and commitment to neighborhoods through the Adopt-A-Lot Program.

**C. Resolution – Recognition of Fall 2015 Citizen’s Academy Graduates** Director of Public Safety

The Public Safety Director presented resolutions of recognition presented to Fall 2015 Citizen's Academy Graduates for their faithful attendance, completion, and graduation from the 10 week program.

**D. Years of Service Presentation for City Employees**

Certificate of Appreciation presented to employees present.

## **2015-84 CONSENT AGENDA:**

### **A. Approval of Minutes** City Clerk

SUMMARY OF REQUEST: To approve minutes of the October 27, 2015 City Commission Meeting.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval of the minutes.

### **B. Demolition of 1785 Beidler – City “Grant” to Share in Costs** Planning & Economic Development Department

SUMMARY OF REQUEST: Pat Bogner, owner of 1785 Beidler, is requesting “grant” assistance from the City in demolishing the commercial property next to her business, Wayne’s Deli (746 Laketon Ave). This property is not in the specific areas covered by the MSHDA Land Bank Demolition Grant. However, it is in a critical commercial corridor along Laketon Avenue where removal of the blighted building would make a positive impact. Therefore, staff is recommending a cost share for the demolition of the building. After demolition, the property will be landscaped to create a green space.

FINANCIAL IMPACT: The quote Ms. Bogner intends to accept, if a grant is received from the City, is from Press’ in the amount of \$8,720.00. It is recommended that the City pay \$4,360.00, or half the amount of the quoted price, which will be paid from the City’s current budget for building demolitions.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To accept the cost share with Ms. Bogner for the quote from Press’ in the amount of \$8,720.00, with the City to pay up to \$4,360.00 (or half the amount); with payment made after the demolition and landscaping of the property has been completed.

### **D. Bid Tabulation for Installation of Locker Room at L.C. Walker Arena** City Manager and Finance Director

SUMMARY OF REQUEST: With the execution of the lease with Reeths-Puffer High School to use the L.C. Walker Arena for their varsity hockey, additional locker room space was required at the arena. Four bids were received from contractors to perform the work to construct a new locker room at the arena. A bid tabulation summary is attached. Grand Haven Construction was the lowest cost from the bids received. Therefore, based on cost and quality of work, staff requests the approval of Grand Haven Construction in the installation of the new locker room at the arena.

FINANCIAL IMPACT: Total proposed cost of \$37,540 to install new locker room.

BUDGET ACTION REQUIRED: Fiscal year 2015-16 budget included \$30,000 in the general fund for L.C. Walker Arena locker room improvements. FY2015-16 budget to be adjusted to reflect actual cost.

STAFF RECOMMENDATION: To approve the bid received from Grand Haven Construction for the installation of a new locker room at the L.C. Walker Arena.

**E. Fireworks Delegation of Authority Agreement** Director of Public Safety

SUMMARY OF REQUEST: The Director of Public Safety requests that the City Commission review and authorize the "Fireworks Delegation of Authority Agreement" for 2016.

The Bureau of Fire Services is seeking departments that are interested in applying for inspection delegation for Consumer Fireworks Retail Sales facilities (CFRS) under Section 19 of Public Act 256 of 2011. The delegation is for one year. The fire department would be responsible for conducting inspections of the permanent and temporary CFRS locations within the City of Muskegon. Entities that apply for delegation will receive 70% of the application fee that is paid for the consumer fireworks certificate (\$700.00 for permanent structure and \$420.00 for temporary structure).

Currently, the Muskegon Fire Department has two Certified Fire Inspectors that are qualified to perform this task. Application will be made upon acceptance by the City Commission.

FINANCIAL IMPACT: Positive financial impact as fees are paid to conduct inspections.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: The Director recommends approval of the 2016 Fireworks Delegation of Authority Agreement.

**F. Sale of Buildable Vacant Lot at 163 Iona** Planning & Economic Development Department

SUMMARY OF REQUEST: To approve the sale of a vacant buildable lot at 163 Iona Avenue to Craig Person to combine with his property at 169 Iona Avenue, Muskegon, Michigan. The lot is 66 x 132 feet and is being offered to Craig Person for \$800 plus the fee to register the deed.

FINANCIAL IMPACT: The sale of this lot will generate additional tax revenue for the City and will place the property back on the City's tax rolls thus relieving the City of continued maintenance costs.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To approve the resolution and to authorize both the Mayor and the Clerk to sign said resolution and deed.

**G. Amendment to the No Smoking Policy** City Clerk

SUMMARY OF REQUEST: In 1993, the City adopted a No Smoking policy. In 2009, the City was required to adopt the Muskegon County Indoor Air Regulation. The Clean Indoor Air Regulation policy does not give a definition of smoking. The 1993 No Smoking policy does list a definition of smoking.

In the past several years, other “tobacco products” have come along. The Muskegon County Health Department has provided a current definition of “tobacco products” that have been added to the City’s No Smoking policy and those additions are highlighted in the proposed revision.

We are also requesting to change the language for violations to more accurately reflect the personnel rules currently in place.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To adopt the updated No Smoking Policy.

**I. Roof Maintenance/Repair Central Station (Terrace St.)**

Director of Public Safety

SUMMARY OF REQUEST: The Director of Public Safety requests that the Commission authorize the amount of \$19,200.00 for the roof repair to Central Fire Station. It was determined that the roof was leaking, causing damage to the roof structure and to the interior space of Central Dispatch. Roofing bids were requested and Free Spirit Construction Inc. was selected from the competitive bid process.

FINANCIAL IMPACT: Negative impact, exigent repair was unforeseen in this current budget year.

BUDGET ACTION REQUIRED: Repairs to Central Station roof will require 2<sup>nd</sup> quarter budget amendment of \$20,000.00 to include repair cost and/or any cost overage.

STAFF RECOMMENDATION: Staff recommends approval of this repair request.

**J. Community Relations Committee Recommendation** City Clerk

SUMMARY OF REQUEST: To concur with recommendations from the Community Relations Committee and to accept the resignation of Luther Dease from the Board of Review and accept the resignation of Emma Torresen from the Citizen’s District Council and to appoint Clinton Todd to the Board of Review and appoint David Wagner to the Citizen’s District Council.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To concur with the recommendations.

**Motion by Commissioner Johnson, second by Commissioner Rinsema-Sybenga, to approve the consent agenda as read, with the exception of items C and H.**

**ROLL VOTE: Ayes: Hood, Spataro, Rinsema-Sybenga, Turnquist, Johnson, and Gawron**

**Nays: None**

**MOTION PASSES**

## **2015-85 ITEMS REMOVED FROM THE CONSENT AGENDA:**

### **C. Heritage Square Development LLC – Amendment to Construction Loan Note Finance Director**

SUMMARY OF REQUEST: At the June 24, 2014 meeting, the Commission approved a Construction Loan Agreement, Commercial Construction Mortgage, Commercial Guaranty (Mr. Post's personal Guaranty), Security Agreement, Assignment of Rents and Leases, and Assignment of Plans and Specifications in order to loan \$500,000 to Heritage Square Development LLC for the construction of two townhouses at Heritage Square.

The construction of the two townhouses has now been completed. At this time, Heritage Square Development, LLC is proposing to repay the principal amount of \$500,000, plus interest accrued to October 30, 2015, by November 25, 2015, and the City would rebate the accrued interest paid on the condition that Heritage Square submits plans for one or more additional units contiguous to the townhouses currently constructed and foundations for the proposed unit(s) are poured no later than four weeks after the permits are approved by SafeBuilt.

FINANCIAL IMPACT: The \$500,000 borrowed from the City by Heritage Square, LLC will be repaid by the borrower and deposited back into the City's "economic development fund".

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To approve the Amendment to Construction Loan Note and authorize the Mayor and Clerk's signatures on the documents.

**Motion by Vice Mayor Spataro, second by Commissioner Turnquist, to approve the Amendment to Construction Loan Note and authorize the Mayor and Clerk's signatures on the documents.**

**ROLL VOTE: Ayes: Spataro, Rinsema-Sybenga, Turnquist, Johnson, Gawron, and Hood**

**Nays: None**

### **MOTION PASSES**

### **H. Purchase Agreement-Hippchen Property Planning & Economic Development Department**

SUMMARY OF REQUEST: Tom and Dolly Hippchen of 325 Houston have agreed to sell the City a portion of their property. This property is needed to add to the adjacent City owned property so that four new homes can be built on Houston Avenue. The price for the property is \$12,000, with some additional costs associated with the relocation of the fences and landscaping.

FINANCIAL IMPACT: The cost for the property is \$12,000, with some minor costs associated with the relocation of fences and landscaping. However, by purchasing the additional property, it will enable the City to build four new homes on Houston Avenue. Without this additional property, the City would only

be able to have two buildable lots on Houston.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To approve the Purchase Agreement between Tom and Dolly Hippchen and the City and to authorize staff to sign any necessary documents for the property transaction and to authorize the expenditures necessary for the fence and landscaping relocations.

**Motion by Vice Mayor Spataro, second by Commissioner Turnquist, to approve the Purchase Agreement between Tom and Dolly Hippchen and the City and to authorize staff to sign any necessary documents for the property transaction and to authorize the expenditures necessary for the fence and landscaping relocations.**

**ROLL VOTE: Ayes: Rinsema-Sybenga, Turnquist, Johnson, Gawron, Hood, and Spataro**

**Nays: None**

**MOTION PASSES**

**2015-86 UNFINISHED BUSINESS:**

- A. Concurrence with the Housing Board of Appeals Notice and Order to Demolish – 236 Washington (garage only)** Director of Public Safety - Item tabled at Commission Meeting on October 13, 2015, to be revisited on November 10, 2015.

SUMMARY OF REQUEST: This dangerous building case number EN2156683 for 236 Washington Avenue was tabled at the October 13, 2015 City Commission meeting so the owner could obtain the necessary permits to repair the garage at that location. The Commission ordered the structure be completely repaired on or before the City Commission meeting of November 10, 2015. A permit was obtained on October 29, 2015, but as of this date the repair work has not been completed as agreed upon.

FINANCIAL IMPACT: MSHDA Land Bank Grant

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To concur with the Housing Board of Appeals to demolish, and that it be demolished within thirty days or infraction tickets may be issued.

**Motion by Vice Mayor Spataro, second by Commissioner Johnson, to concur with the Housing Board of Appeals decision to demolish, and that it be demolished within thirty days or infraction tickets may be issued.**

Chief Lewis indicated that progress has been slow on this project but that permits have been pulled. He requested referral back to the Housing Board of Appeals. Vice-Mayor Spataro recommended tabling the matter until the first meeting in January.

**Motion by Vice Mayor Spataro, second by Commissioner Hood, to table the item regarding the Housing Board of Appeals Notice and Order to Demolish 236 Washington (garage only) until the first regular meeting of 2016 on January 12, 2016.**

**ROLL VOTE: Ayes: Turnquist, Johnson, Gawron, Hood, Spataro, and Rinsema-Sybenga**

**Nays: None**

**MOTION PASSES**

**2015-87 NEW BUSINESS:**

**A. Transmittal of June 30, 2015 Comprehensive Annual Financial Report**  
Finance Director

SUMMARY OF REQUEST: The City's June 30, 2015 Comprehensive Annual Financial Report (CAFR) has been distributed to City Commissioners via email and hard copy. The CAFR is also available on the City's website at [www.shorelinecity.com](http://www.shorelinecity.com). The CAFR includes the annual independent auditor's report as required by state law. At this time the CAFR is being formally transmitted to the City Commission. The CAFR has been prepared in accordance with all current Governmental Accounting Standards Board (GASB) pronouncements and also includes the single-audit of federal grants received by the City.

FINANCIAL IMPACT: The CAFR report summarizes the City's financial activities for the year and includes the independent auditor's unmodified opinion on the City's financial statements.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Acceptance of the June 30, 2015 CAFR and authorization for staff to transmit the CAFR to appropriate federal, state, and private agencies.

**Motion by Vice Mayor Spataro, second by Commissioner Johnson, to accept the June 30, 2015 CAFR and authorize staff to transmit the CAFR to appropriate federal, state and private agencies.**

**ROLL VOTE: Ayes: Johnson, Gawron, Hood, Spataro, Rinsema-Sybenga, and Turnquist**

**Nays: None**

**MOTION PASSES**

**B. Operations Management Contract and Liquor License Management Agreement – L.C. Walker Arena** City Manager and Finance Director

SUMMARY OF REQUEST: On September 8, 2015, the City Commission authorized City staff to negotiate a contract with Tim Taylor (TWO T'S LLC) to manage the L.C. Walker Arena and Conference Center. The key terms are as follows:

- TWO T'S LLC, as an independent contractor, to oversee all operational aspects of the L.C. Walker Arena as the manager on behalf of the City;
- Operations Management Contract effective for a period of three years to terminate on September 1, 2018;
- Management Agreement – Liquor License coincides with the term of the Arena Management Agreement.

FINANCIAL IMPACT: Annual fixed fee of \$75,000 to be paid in equal payments of \$6,250 per month.

BUDGET ACTION REQUIRED: Current year budget will be adjusted to reflect this change.

STAFF RECOMMENDATION: To approve the Operations Management Contract and Management Agreement.

**Motion by Commissioner Hood, second by Commissioner Johnson, to approve the Operations Management Contract and Management Agreement.**

**ROLL VOTE: Ayes: Hood, Spataro, Rinsema-Sybenga, Turnquist, Johnson, and Gawron**

**Nays: None**

**MOTION PASSES**

**C. Concurrence with the Housing Board of Appeals Notice and Order to Demolish – 329 Washington** Director of Public Safety

SUMMARY OF REQUEST: This is to request that the City Commission concur with the findings of the Housing Board of Appeals that the structure located at 329 Washington is unsafe, substandard, and a public nuisance and that it be demolished within thirty days or infraction tickets may be issued. It is further requested that administration be directed to obtain bids for the demolition of the structure and that the Mayor and City Clerk be authorized and directed to execute a contract for demolition with the lowest responsible bidder or staff may issue infraction tickets to the owner, agent, or responsible party if they do not demolish the structure.

FINANCIAL IMPACT: MSHDA Grant (pending their approval to proceed) or General Funds.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To concur with the Housing Board of Appeals decision to demolish.

**Motion by Commissioner Johnson, second by Vice Mayor Spataro, to concur with the Housing Board of Appeals decision to demolish.**

**ROLL VOTE: Ayes: Gawron, Hood, Spataro, Rinsema-Sybenga, Turnquist, and Johnson**

**Nays: None**



**MOTION PASSES**

**2015-88 ANY OTHER BUSINESS:**

**A. Emergency Sewer Repair** Department of Public Works

SUMMARY OF REQUEST: Authorize staff to enter into an agreement with Jackson Merkey Contractors to perform necessary emergency sewer repairs behind Betten Honda.

FINANCIAL IMPACT: Total Cost \$43,740.00

BUDGET ACTION REQUIRED: Will be addressed during the first quarter budget reforecast.

STAFF RECOMMENDATION: To approve staff to enter into an agreement for emergency sewer repairs with Jackson Merkey Contractors.

**Motion by Vice Mayor Spataro, second by Commissioner Johnson, to authorize staff to enter into an agreement for emergency sewer repairs with Jackson Merkey Contractors.**

**ROLL VOTE: Ayes: Spataro, Rinsema-Sybenga, Turnquist, Johnson, Gawron, and Hood**

**Nays: None**

**MOTION PASSES**

**ADJOURNMENT:** The City Commission Meeting adjourned at 7:04 p.m.

Respectfully Submitted,

Ann Marie Meisch, MMC  
City Clerk